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Many consumers or businesses prefer a car lease which allows them to enjoy new models of vehicles without paying upfront a large sum. Only an initial affordable outlay is required with low monthly payments. This suits a lot of consumers and businesses that do not want their money to be flowed out in a lump sum from their accounts. There could be potential investment or business ventures which the lump sum can prove useful in generating more profit for the company.

Hence, the car leasing industry continues to boom with the needs of the consumers and businesses changing according to market sentiments.

Business savings

Businesses are a primary group of car leasing takers as they enjoy high savings through the tax incentives on car leases. These companies that need to procure a fleet of vehicles to facilitate their business would enjoy as much as 50% savings on claimable VAT payments.

The savings prove to be good on the company's balance sheets; the vehicle that is leased is also featured on the company's balance sheet to reduce the amount to be taxed at the end of the financial year. The company can apply for the necessary car leasing tax allowances for all its fleet.

If the companies undertake certain maintenance packages, there would be more savings to be enjoyed. This means that the car leasing scheme includes the maintenance of the car. The company does not need to worry about its fleet's upkeep. Any maintenance and servicing of the vehicle would be undertaken by the leasing company on a regular basis to ensure that the vehicle is always in tip-top condition for the company's operation.

Increased profit

There are many forms of car leasing schemes; a company would enjoy some profit through the sales proceeds of the company fleet at the end of the leasing term or contract. Companies which choose to sell off their leased vehicles can enjoy a portion of the sales proceeds which can be added to their balance sheet to boost their equity.

Flexibility

Although the interest rates of car leasing differs from scheme to scheme and leasing firm to leasing firm, the consumer or business that consider car leasing has the flexibility of shopping for the best car leasing scheme to get the best for themselves. This would give them the best savings which is desired in this unstable economy where every dollar counts with its lowered purchasing power.

The consumer or business company should also negotiate for the best interest rate and leasing conditions based on the current market situation and their consumer power since there is a myriad of leasing firms in the market.

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